

SECRET

Central Intelligence Agency
Washington, D.C. 20505

29 June 1984

Planning Staff

NOTE FOR: Members, Steering Group on Personnel

SUBJECT: Minutes of 20 June Meeting

25X1

Attached is a copy of the minutes of the
20 June meeting of the Steering Group.
has reviewed them. Please let me know if you have
any additions or corrections.

25X1



Attachment

Unclassified when separated
from attachment.

SECRET

27 June 1984

MEMORANDUM FOR THE RECORD

25X1 FROM: [redacted]
Chief, Planning Staff

SUBJECT: Minutes of the Second Meeting of the
Steering Group on Personnel

1. The second meeting of the Steering Group on Personnel took place on 20 June 1984 from 1430 to 1520 hours in Room 6E13. All members were present:

25X1 [redacted] Executive Director (Chairman)
Mr. Richard Kerr, ADDI
25X1 [redacted] ADDO
Mr. James Hirsch, ADDS&T
[redacted] ADDA 25X1
Mr. Robert Magee, D/Pers

25X1 Also present were [redacted] (EA/ExDir) and the under-
signed. A copy of the agenda is attached at A.

25X1 2. [redacted] opened the meeting with a discussion of the
charge he had received from the DCI on 7 June regarding personnel
issues related to the erosion of benefits for the Federal Service
(see Attachment B). He noted that the issue arose as a result of
a memorandum on the subject which the DCI had received from
25X1 Lt. Gen. Faurer, Director, NSA. The DCI had requested and
received comments on Gen. Faurer's memorandum from [redacted]
25X1 Mr. Magee, and Mr. Clair George (Director, OLL). The DCI had
then charged [redacted] to take the lead in developing the
25X1 strongest possible case to protect CIA equities for consideration
by the new Congress. In addition, [redacted] is to work with the
Intelligence Community Staff to develop a report on the impact of
the deterioration of civil service benefits on the Intelligence
Community as a whole. The latter effort will be used to
sensitize Congress and the Administration to the problem without
recommending specific programmatic solutions which are
legitimately the responsibility of individual Community
25X1 elements. [redacted] indicated that he would be in touch with
[redacted] on the second part of the DCI's charge. The
25X1 first part, the legislative program to be prepared for the new
Congress, would be part of the workforce strategy now under
consideration by the Steering Group.

25X1 3. [redacted] then tabled copies of a draft letter to the
President from the DCI (Attachment C). The letter had been
drafted by D/Pers in connection with a plan D/Pers had discussed

25X1 ALL PORTIONS CONFIDENTIAL

CONFIDENTIAL

with the DDCI aimed at preserving the CIA Retirement and Disability System in the face of possible Administration initiatives to modify and standardize federal retirement systems. Mr. Magee said that those present would receive a briefing on the plan as soon as details of the briefing had been ironed out.

25X1 4. [] then turned to the demographic study (item b
on the agenda) and asked [] to review his proposal. 25X1
25X1 [] noted that he had already spoken to []
Director, Office of Global Issues (OGI)/DDI about sharing the
services of two professional demographers in OGI. He added that
D/Pers is prepared to help the full-time person he is now seeking
who will conduct the study in the Center for the Study of
Intelligence. [] said the Center is not only 25X1
interested in doing the study, but has also volunteered to keep
it current once it has been completed. Mr. Hirsch cautioned that
we should have a clear idea of what is to be included in such a
study and what we really hope to get out of it before it is
undertaken. He noted there are really two phases to our
concerns: (1) what we must know and do about workforce problems
from now to 1990, and (2) what are our concerns about the period
beyond 1990. As an example, Mr. Hirsch mentioned that there will
be 67 percent more 42-46 years old (GS-14/15 level) in our
workforce by 1995, a sharply changed situation from that now
existing. What will the impact of such a change be on
recruitment/retention/motivation factors? [] said he 25X1
could ensure that the Directorates would be carefully polled for
their expectations from the study before it was undertaken. It
was decided that the demographic study would be done and that it
would be managed by [] who would undertake to find a 25X1
suitable person to work the problem full time at the Center for
the Study of Intelligence.

25X1 5. [] then raised the question of issues to be
considered by the Steering Group if, indeed, the members felt
there was merit to continued meetings of the Group. He noted
that the skills mix projections submitted by the members had been
considered from the beginning -- along with the demographic study
on the pool of available talent in the outyears -- to be simply
the necessary foundations on which to construct valid, common
sense strategies to cope with workforce requirements in the
future. The strategies were the important ends. Now, that the
skills mix projections had been assembled, they would be turned
over to D/Pers for exploitation in any way the latter saw fit.
There was general agreement that the D/Pers should take any
further action required on the Directorates' skill mix reports.
D/Pers noted that he had already been provided with a set of the
reports.

25X1 6. [] suggested that there were a number of
issues that should concern the Steering Group. He mentioned pay
and overtime. Mr. Hirsch noted that there was a concerted
movement afoot to install first class equipment and improve the
work environment at universities and in industry. He mentioned,

too, the "cafeteria plan" benefits arrangements which give employees in the private sector a choice of benefits to suit their current needs. He stressed that we will need to work on a number of fronts to attract and retain good people. He mentioned salary, benefits, quality of work space, quality of tools made available to employees, and the like. He stressed the fact that long-range planning in those areas was essential. He said private sector managers shake their heads over the tendency on the part of government managers to think only in terms of four years from inception to completion of important projects. Mr. Hirsh said it took 14 years for AT&T to develop the microwave system we now use. He said that is the kind of long-range thinking we must have to do our job effectively in the 1990s.

7. There was general agreement at the end of the meeting that the Steering Group could be a useful forum for exchanges of ideas on the important personnel issues we face. The following conclusions were reached:

25X1 • [redacted] will suggest to [redacted] that the Steering Group on Personnel continue as an ad hoc discussion group. 25X1

• Mr. Magee will see to it that members are brought up to speed on planning for CIA retirement options.

25X1 • [redacted] will manage the demographic study which is to be conducted by a full-time officer or consultant assigned to the Center for the Study of Intelligence who will be supported by two demographers from OGI and other help as needed from the Office of Personnel.

• Mr. Magee will exploit the Directorates' skills mix reports and will develop the strategies required to enhance our ability to recruit, train, motivate, and retain a high quality workforce for the 1990s. As part of this process, Mr. Magee will develop for the Executive Director, in time for the new Congress, the program called for by the DCI on personnel issues in CIA related to the erosion of benefits for the Federal Service* [redacted]

25X1 Attachments

*Mr. Hirsch asked for and received subsequent to the meeting a copy of the letter to the DCI from Lt. Gen. Faurer which had occasioned the DCI's charge to [redacted]

Distribution:

Orig - PS (Steering Group on Personnel) w/atts

1 - ADDA w/atts

1 - ADDI w/atts

1 - ADDO w/atts

1 - ADDS&T w/atts

1 - D/Pers w/atts

1 - IG w/atts

1 - ExDir w/atts

25X1





STEERING GROUP ON PERSONNEL

Date: 20 June 1984

Time: 1430 - 1530 hours

Place: IG Conference Room (6E13, HDQS)

Agenda

- I. Opening remarks by the Executive Director
- II. Discussion of optional approaches to:
 - a. Assigning responsibility for collating Directorates' skills mix and attrition reports to draw conclusions from them regarding an Agency projection for the outyears;
 - b. Assigning responsibility for completion of a demographic study as proposed by
 - c. Assigning responsibility for development of strategies based on "a" and "b" above to improve our ability in the future to recruit, train, motivate, and retain the employees we will need to do our job effectively; and
 - d. Determining early but realistic due dates for the above inter-related actions.

25X1

B

EXECUTIVE SECRETARIAT
ROUTING SLIP

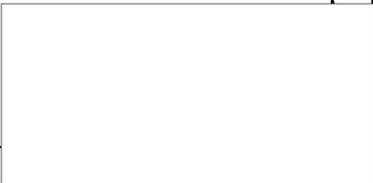
TO:

	ACTION	INFO	DATE	INITIAL
1 DCI		X w/o att		
2 DDCI		X w/o att		
3 EXDIR	X w/att			
4 D/ICS				
5 DDI				
6 DDA				
7 DDO				
8 DDS&T				
9 Chm/NIC				
10 GC				
11 IG				
12 Compt				
13 D/Pers		X w/o att		
14 D/OLL		X w/o att		
15 D/PAO				
16 SA/IA				
17 AO/DCI				
18 C/IPD/OIS				
19				
20				
21				
22				

SUSPENSE _____
Date

Remarks

25X1



D/ Executive Secretary
7 June 84

Date

3637 (19-84)

Executive Registry

84- 428/8

7 June 1984

MEMORANDUM FOR: Executive Director
Director, Office of Legislative Liaison
Director of Personnel

FROM: Director of Central Intelligence

SUBJECT: Personnel Issues Related to Erosion of
Benefits for the Federal Service

1. I agree with your reactions to Linc Faurer's paper on personnel issues related to erosion of benefits for the federal service. I think you should develop the strongest case you can to protect CIA's equities and have it ready for the new Congress.

2. At the same time, I'd like similarly to follow up on the recommendation in the last sentence of Bob Magee's memo to develop a report on the impact of the deterioration of civil service benefits on the Intelligence Community as a whole.

3. I ask the Executive Director to take the lead on this, working internally in CIA at the level of general benefits, and with the Intelligence Community Staff, having them get input from Faurer and other elements of the Community.



William J. Casey

25X1

SECRET



5 June

MEMORANDUM FOR DCI

Per your request, comments from [redacted] Bob Magee, and Clair George on "Personnel Issues Related to Erosion of Benefits for the Federal Service," the issue which was raised by LGEN Faurer.

[redacted] Bob, and Clair all argue, with varying degrees of intensity, that we should not seek a Community-wide solution to this problem, but should approach it on an agency-by-agency basis.

Dick

25X1

~~SECRET~~

84-4123/9

30 May 1984

MEMORANDUM FOR: DCI

VIA: DDCI

SUBJECT: Personnel Issues Related to Erosion of Benefits for
the Federal Service

REFERENCES: a) Your note to D/Pers and D/OLL, enclosed
b) D/Pers response dtd 25 May 1984

1. I share, as I believe you well know, Bob Magee's concerns about homogenization (para. 2) and continued loss of the Agency's unique identity.

2. Since Jim Schlesinger's report to President Nixon on DCI management of the Community, and particularly in recent years as the oversight staffs and the IC Staff have played increasingly significant roles, there has been an observable increase in the tendency to develop common Community standards -- whether for ADP formatting or for resolving personnel management concerns.

3. With Schlesinger, Turner, Frank Carlucci and Bobby Inman, Agency claims of uniqueness fell on deaf ears; in fact, those here who resisted Community solutions to problems like domestic relocation financial loss, the pension strategy, et al were seen as egocentric elitists or as dogs in the manger.

4. It may be that with further passage of time the situation may change, but I believe that the CIA has been and is the quality staff in support of the DCI and the President, the first among equals, in the Intelligence Community. We can't shout that from the rooftops to others in the Community, nor expect others whose initial Government experience was elsewhere to leap to that conclusion. But, if we can sustain it, the Country benefits. We have always said, and I believe, that the reason for that quality was: a) the people it hired and kept; and b) the special authorities the DCI was given as the head of CIA.

5. So, I agree strongly with Magee. In fact, having said this much, I would think that you might get significant mileage from a review of your Corporate vs. your Company hat, with the staggering growth of committees, working groups, steering groups, panels and staffs since the 60's; the blurring of tactical and strategic intelligence boundaries, and the growth of near real time national collection systems.

25X1

25X1



DCI
EXEC
7

100-84-2207

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Personnel Issues Related to the Erosion of Benefits for the Federal Service

FROM: Robert W. Magee
Director of Personnel

EXTENSION

NO.

DATE 24 May 1984

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

DDA / received com

RECEIVED FORWARDED

1. *JRC*
Executive Director

30 MAY

2.

3. *JRC*
Deputy Director of Central Intelligence

04 JUN 84

4.

5. Director of Central Intelligence

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

25X1

25X1

OLL 84-2047
25 May 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM: Clair E. George
Director, Office of Legislative Liaison

SUBJECT: Personnel Issues Related to the Erosion of
Benefits for the Federal Service

REFERENCE: Memorandum for the DCI from the Director,
National Security Agency, same subject,
dated 9 April 1984.

1. I have given some thought to the issues raised in General Faurer's letter about the erosion of personnel benefits for federal employees. His points are unassailable. The amendments to the Social Security Act last year bringing new federal employees into the Social Security system, the ongoing Administration initiatives to reduce federal retirement and medical insurance costs, and the continuing employer/employee contention over pay have all been negative signals received by federal employees.

2. Employees in the Intelligence Community, and in the CIA specifically, are not being singled out, but the effect on them is exactly as General Faurer has stated. The only way, it seems to me, that you can shield our employees from the effects of these government-wide initiatives is to intercede, first with the President and ultimately with the Congress. While such an attempt would be admirable, I don't think we can build a persuasive enough case to exempt the Intelligence Community, let alone the entire Agency, from these budget-driven initiatives.

3. There is one issue where the CIA has, in my judgment, sufficient equity to warrant your direct involvement with the President, and that is reconstituting the CIA Retirement and Disability System (CIARDS) in a supplemental retirement context. In my judgment, the Agency has to be very selective in the issues it asks you to carry to the President. CIARDS is such an issue. Because I don't think we can win on the more general "erosion of benefits" issue, I don't think we should try. Rather, I think you should go ahead with your small Intelligence Community task force idea for now, and see what recommendations come from that group.


Clair E. George

428/C

18 May 1984

NOTE FOR: Director of Personnel
Director of Legislative Liaison

Let me have your thoughts on the
attached.


William J. Casey

Attachment:
Memo dtd 18 May 84
from DCI to D/NSA

The Director of Central Intelligence

Washington DC 20505

18 May 1984

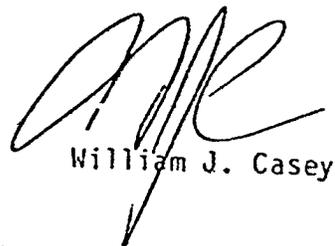
MEMORANDUM FOR: Director, National Security Agency

SUBJECT: Personnel Issues Related to the Erosion
of Benefits for the Federal Service

1. I want to thank you for your very thoughtful memorandum of 9 April about our personnel resources as they are affected by increased competition in the private sector, together with the erosion of benefits for federal service. I agree with you that this is one of the most serious problems we have and want to address it in as much depth as possible so that the Community is well armed to address this acute problem with the Administration and the Congress early next year.

2. I am sending copies of your memorandum, together with this note, to Jim Williams, and Pete Aldridge, having in mind that we can discuss it at our next breakfast and decide how to form a small task force to dig into this issue.

STAT



William J. Casey

cc: Director, Defense Intelligence Agency
Under Secretary of the Air Force
Director, Intelligence Community Staff

**EXECUTIVE SECRETARIAT
ROUTING SLIP**

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X (w/o att)		
2	DDCI		X (w/att)		
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers	X (w/att)			
14	D/OLL	X	"		
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	ES		X (w/o att)		
20					
21					
22					
		SUSPENSE	<u>25 May</u>		
			Date		

Remarks

25X1

D/ Executive Secretary

18 May 1984

Date

3637 (10-81)



NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755

Executive Registry
84-428/1

Serial: N0550
9 April 1984

Ma 4-7

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Personnel Issues Related to the Erosion of Benefits
for the Federal Service

12 APR 1984
LOGGED

1. I want to reiterate my continuing concerns about the manpower issue we discussed at the Intelligence Seniors' Planning Conference this past December. I am specifically concerned about the continuing ability of the Intelligence Community, and especially NSA, to recruit and retain highly skilled professionals in the face of eroding Civil Service benefits.

2. There are three groups of people in the NSA work force who are most vulnerable to the impact of lost or reduced benefits. The first group encompasses our recently hired, young, talented engineers, computer scientists, and mathematicians. The second group is comprised of our critical-skilled people, again primarily engineers, data systems and mathematics professionals, ranging in age from their late 20's to their 40's. The third group includes our senior executives, managers, and technical specialists. These three groups represent our present and future development as an agency. A significant loss of people from any or all of these groups would impact greatly on our ability to perform our mission.

3. The first group--the young, talented scientific professionals--are our greatest hope for the future. The constantly changing high-tech developments in intelligence collection and analysis demand continuing increases in our scientific staff. Recruitment and retention of these individuals have always been difficult because of the level of competition for their services from both the public and private sectors. Through creative management techniques including expanded recruitment initiatives, compressed pre-employment processing time, special salary scales, and in-house career development programs, we have been surprisingly successful in attracting and retaining a number of these highly mobile individuals. We have increased our staff of young scientists and engineers by 26 percent over the last three years, and have been successful in keeping our attrition rate at about 5 percent. However, the trend of minimal federal pay raises and eroding federal benefits, matched against increasingly attractive benefit packages and higher pay from the private sector, may upset the delicate balance we have been striving to maintain. Further, the OPM-instigated GS-11 through GS-15 reduction plan, if imposed within the Community, would also impact significantly on these individuals. Quality GS-07 and GS-09 critical skilled people would not be attracted to or remain in employment that offered such limited growth potential.

4. The second group--critical skilled individuals in their late 20's to their 40's--are likewise subject to the same push and pull of diminishing federal benefits and lucrative offers from private industry. It is crucial to our mission to retain as many of these individuals as possible, as they represent the backbone of technical skill and knowledge necessary to produce high quality intelligence products. Our implementation of career development programs, special salary scales, and financial incentives for linguists has kept the attrition rates of these people at an average of 4 percent. However, given the present trends, we can foresee that the attrition rate of this group could jump to as high as 10 percent--an impact that would seriously impede our ability to do our job. In addition, imposing the GS-11 through GS-15 reduction plan would make the prognosis for recruiting experienced critical skilled professionals poor. Like the GS-07 and GS-09 college recruits, highly mobile, experienced professionals will not be attracted to limited growth careers.

5. Finally, our senior executives, managers, and technical specialists--the third group--are also affected by the proposed changes in benefits. Over 40 percent of these individuals will be eligible to retire in the next two years. Given the prospect of trying to manage and motivate a demoralized, lower quality work force, many of them may opt to retire earlier than they would have done otherwise. Many of our younger talented senior executives and technical experts have highly marketable management and technical expertise that makes them especially attractive to private industry. We may therefore see an exodus to industry as well as to premature retirement. One GS-15 engineer, who resigned to accept employment in private industry, expressed it this way:

"...I would rather let the marketplace determine what my skills are worth and not Congress and a general public that in many areas perceive the Federal worker as having too many benefits anyway. ...I consider it an honor to have been an NSA employee for almost 18 years, and leave not because of conditions related to the work or fellow workers, but because of the current and what I see as the trend in Federal employment benefits and compensation."

A hastened departure of our senior staff, combined with a reduced capability to attract and retain professional and technical people, will leave us void of the manpower essential to our mission requirements. On the other hand, given the stress and "burnout" associated with a career in intelligence, a retirement system that forces our people to work until age 65 is no solution either.

6. Like many other agencies, we are involved in a struggle to replace a gradually aging work force through recruiting and retaining younger, talented, well-educated people. Unfortunately, these are the very people who are being discouraged from considering government service as a career. We must develop an aggressive strategy to maintain

the health of the Intelligence Community now and in the future. It is imperative that in the interest of national security we take every opportunity to impress upon the Administration and the Congress the urgency of keeping the intelligence service attractive and stable.



LINCOLN D. FAURER
Lieutenant General, USAF
Director, NSA/Chief, CSS

MAY 25 1984

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Executive Director

FROM: Robert W. Magee
Director of Personnel

SUBJECT: Personnel Issues Related to the Erosion of
Benefits for the Federal Service

REFERENCE: DCI Memo to D/NSA, dtd 18 May 84, Same Subject

1. I share a concern that deteriorating benefits for the civil servants could impact on our ability to recruit and retain the quality people necessary in the intelligence profession. I urge, however, that we not seek a Community solution.

2. A persuasive case can be made that CIA employees are unique, not only because of their quality and performance level, which may be duplicated in other areas, but also because of the demands we place on them, which are generally not duplicated elsewhere. The trend towards homogenization of personnel in the Intelligence Community is a threat to our earned special status. While good people, particularly those in advanced technical fields, may be difficult to hire, it is not impossible. This Agency has a lot to offer beyond the payroll. Our job is to make sure that applicants understand the challenges and satisfactions of an Agency career and to offer them as high a wage as we can reasonably do. I am confident we can continue to produce the quality and quantity of Agency employees we need. Here is a recent example:

-- As you may recall, last November we mounted a massive assault on MIT. Fifteen Agency employees representing each of the Directorates went to Cambridge and gave an audience of 125 the old razzmatazz. I would have been satisfied with one new employee because our intent was basically to introduce a CIA career into the MIT mentality. As of right

SUBJECT: Personnel Issues Related to the Erosion of Benefits for the Federal Service

now, we have three MIT students cleared and scheduled to enter on duty this summer (one-ODP, two-OSWR), two others still in process and a couple who are interested in an Agency career after an additional year of graduate study at MIT.

- 25X1
- 25X1
25X1
25X1
- 25X1
- The most interesting case, however, is the one that got away. There was a splendid applicant by the name of [redacted] an astrophysicist, whose testing and interviewing confirmed our judgment that he was just right for OD&E. We made him an offer which he regretfully declined because he got a better offer from [redacted]. We did not fold. Bob Kohler got directly involved and invited [redacted] back to Washington where Bob personally described the attractiveness of an Agency career. We also jacked up the offer to \$28,000. For a few days it was a near-run thing, but after some anguish, alas, [redacted] opted to go with [redacted] which offered him a full year graduate study at MIT with a guaranteed high salary after graduation. I am sorry we lost him, but it was close enough to make me confident that this type of aggressive recruitment will, in the long run, produce as many winners as losers.
- We did a similar assault at Stanford and while it is too soon to quote numbers, attractive candidates are moving through the process.

It is too early to reach any definitive conclusions from the MIT- and Stanford-type approaches. I am optimistic because we have a great product. The "we're special" line is attractive and produces results. Thus, I am wary of getting too involved in Community solutions which might dilute our specialness.

3. General Faurer expresses concern that we will lose our good employees to private industry. Possibly, but what about our actual separation rates for engineers? Contrary to popular belief, we have a good retention rate, better than NSA. Here's the data for FY-81, 82 and 83:

SUBJECT: Personnel Issues Related to the Erosion of Benefits for the Federal Service

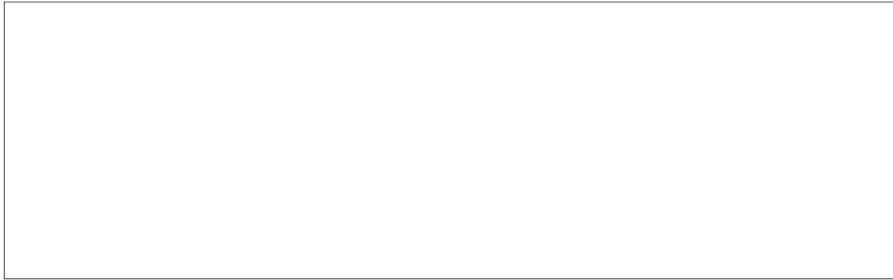
Agency Professionals Agency Engineers ODE GS-14/15

25X1 1981

1982

1983

AVERAGE



We lose some, but not many. There is a lot of anticipatory concern that we may lose more in the future but it is interesting to note, for example, that OD&E, an office with understandable concerns, has a low separation rate at the critical GS-14/15 level. This is a good place to work and generally our people know it. The "Excellence" program should make it even better.

4. In granting special authorities to the DCI in 1947, Congress accepted the unique challenges we face in recruiting and retaining highly qualified personnel. This situation has not changed and I believe there is a danger in trying to extend it to other agencies, who for the most part are elements in a larger organization. Let's not forget that other agencies in this Community enjoy privileges that we do not.

- FBI agents who work outside of Headquarters get 25% of base pay as a differential which goes also towards retirement calculations, a very tidy benefit.
- The vast majority of people in the DoD intelligence apparatus enjoy all the benefits of the uniform services.
- The Foreign Service enjoys its overseas premium pay while serving in the U.S. for up to eight years.
- DEA gets 2 1/2% towards retirement versus our 2% for CIARDS and roughly 1 3/4% for Civil Service.

We should preserve our legislative equities for those issues which directly affect the Agency, primarily, at this time, our new retirement supplemental package. During an earlier discussion with my counterpart at NSA, she asked for my views on a Community retirement package. I told her that I did not favor it. Each agency has a complex arrangement of benefits which the agencies' managers feel best for their specific services. Trying for general solutions risks more than we might gain. She seemed to accept the logic.

SUBJECT: Personnel Issues Related to the Erosion of Benefits for the
Federal Service

5. In sum, I favor this Agency taking actions that sensitize the Administration to the risks involved in any significant tampering with the entire Civil Service benefits package. I am generally against Intelligence Community solutions for problems which can be better handled by individual agencies. I would recommend that if a small task force is established that it be steered in such a way to produce a report expressing general concern of deterioration of our Civil Service benefits but not specifying actions for the Intelligence Community per se.

25X1



Robert W. Magee

cc: DDA
D/OLL

C

Central Intelligence Agency



Washington, D.C. 20505

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing you to express my deep concern that the ongoing review of Federal retirement systems and some of the proposed modifications to these systems will seriously impair our efforts to revitalize and enhance the effectiveness of our foreign intelligence effort. As I have learned since becoming the Director of Central Intelligence, retirement systems covering Central Intelligence Agency (CIA) employees must be designed to ensure the Agency's unique work environment is fully recognized. In fact, our retirement systems have been established as one of the significant employee benefits we are able to offer in recruiting and retaining a necessary young, vigorous work force. I would not want this status to be altered by modifications to the Federal retirement systems.

I sincerely believe there is a valid reason that existing CIA retirement programs have been woven into the framework of our special personnel management structure. For instance, the restrictive cover and stringent security conditions of employment do not permit CIA employees to communicate openly at work, social, or family oriented events. They must constantly be on the alert to ensure they protect whatever cover they operate under and do not disclose classified information to unauthorized personnel. Additionally, CIA employees must undertake, for operational reasons, mission-directed assignments to hazardous areas of the world where their health, as well as their personal and family safety, is threatened. CIA employees are not free to undertake speaking engagements, author books or articles, accept part-time employment, or travel overseas without obtaining prior approvals. Unlike most other U.S. Government employees, Agency employees are subject to a polygraph upon entrance on duty and again periodically throughout their careers. For cover reasons, CIA employees are not free to participate in all plans offered in the Federal Employees' Health Benefits Program. In addition to all of the above conditions and limitations, the intelligence mission requires CIA employees to be alert to and on call round-the-clock to meet time-sensitive intelligence demands. As you can see by the above examples, CIA employees must endure burdens and limitations of employment unmatched elsewhere in the Federal sector.

The President

Our competition for the best and the brightest is largely with the private sector. If we do not stay fully competitive in our benefit structure, we will not be able to hire employees who will permit us to have the best foreign intelligence organization in the world. I am sufficiently concerned about the current efforts under way to modify Federal retirement systems to have asked our Director of Personnel to thoroughly review all options to ensure that we are taking the proper steps to protect the present retirement benefits. Based upon the conditions of employment we must demand, I see no alternative at this time but to continue to have CIA employees able to retire at younger ages than elsewhere in the Federal government at large. Thus, as changes to the Federal retirement systems are considered by the current Administration and passed by the Congress, I ask for your support and assurance that the CIA's special needs be fully recognized in the final Federal retirement package prepared for congressional action.

You know I fully support your efforts to reduce the cost of government and would not ask for your assistance unless I truly believed the CIA mission required special consideration. If you agree with me that the CIA retirement systems must be given special consideration in the overall effort, I have enclosed a letter to the Director, Office of Management and Budget for your consideration.

Respectfully yours,

William J. Casey
Director of Central Intelligence

Enclosure